

# **SMALL BUSINESS LOAN FUND CORPORATION**

## **MINUTES OF THE BOARD OF DIRECTORS**

**February 25, 2010**

### **PUBLIC SESSION**

A monthly meeting of the Board of Directors (the "Board") of the Small Business Loan Fund Corporation (the "Corporation") was held in public session at the offices of the Rhode Island Economic Development Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island on February 25, 2010 at approximately 9:30 a.m., pursuant to notice of the meeting to all Directors, and public notice of the meeting as required by the By-Laws of the Corporation and by Rhode Island General Law 42-46-6.

The following Directors were present and participated throughout the meeting: Mr. Raymond Fogarty (Chair), Mr. William Parsons, Mr. Thomas Stocker and Ms. Leslie Taito.

The following Director(s) were absent for the vote: Mr. Richard DeMerchant.

Also present were: J. Michael Saul, Deputy Director of the Rhode Island Economic Development Corporation ("EDC"); Earl F. Queenan, Jr., Corporation Administrator; Sean W. Esten, Corporation Administrator; Susan Morgan, Director of Accounting for EDC; Anthony J. Scolavino, Special Consultant; Thomas V. Moses, Legal Counsel; and Carol J. Anguilla, Moses & Afonso, Ltd.

Mr. Fogarty presided over the meeting.

**1. Call to Order.**

Mr. Fogarty called the meeting to order at 9:53 a.m.

**2. Approval of the Minutes of the Meeting Held on January 28, 2010.**

The first item to come before the Board was approval of the Public Session Minutes and the Executive Session Minutes of the Board meeting held on January 28, 2010. Upon motion duly made by Mr. Parsons and seconded by Ms. Taito, the motion to approve the Public Session Minutes and the Executive Session Minutes of the meeting held on January 28, 2010 was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Parsons, Mr. Stocker and Ms. Taito.

The following Directors voted against the foregoing: None.

The following Directors were absent for the vote: Mr. DeMerchant.

**3. Maintain the Executive Minutes of January 28, 2010 Confidential.**

The next item to come before the Board was a vote to maintain the confidentiality of the Executive Session Minutes of the Board meeting held on January 28, 2010. Upon motion duly made by Mr. Stocker and seconded by Mr. Parsons, the motion to maintain the confidentiality of the Executive Session Minutes of the Board meeting held on January 28, 2010 was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Parsons, Mr. Stocker and Ms. Taito.

The following Directors voted against the foregoing: None.

The following Directors were absent for the vote: Mr. DeMerchant.

**4. Report of Cash Position as of January 31, 2010.**

Mr. Scolavino presented the report of Cash Position as of January 31, 2010.

**5. Report of Portfolio Activity, Delinquency Loans and Loan Forbearances as of January 31, 2010.**

Mr. Scolavino presented the report of Portfolio Activity, Loan Delinquency Report and Loan Forbearance Report as of January 31, 2010. Mr. Scolavino responded to questions from Mr. Stocker regarding the status of PSP, LLC and Location, Inc. Mr. Scolavino responded to a question from Mr. Moses regarding the status of Modulus Furniture Inc. There were no further questions from the Board.

**6. Other Business.**

Mr. Esten requested that the next Board meeting scheduled to be held Thursday, March 25 be moved to Friday, March 26 at 9:30 a.m. Mr. Fogarty, Mr. Parsons, Mr. Stocker and Ms. Taito all consented to the changed meeting date.

**7. Review and Approve the Corporation's Amended Administrative Plan for the Economic Development Administration ("EDA").**

Mr. Scolavino briefly described the substance of the Amended Administrative Plan for the EDA attached hereto as Exhibit A. There being no questions, Mr. Fogarty called for a motion to approve the Corporation's Amended Administrative Plan for the EDA as presented. Upon motion duly made by Mr. Stocker and seconded by Ms. Taito, the motion to accept the Corporation's Amended Administrative Plan for the EDA as presented was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Parsons, Mr. Stocker and Ms. Taito.

The following Directors voted against the foregoing: None.

The following Directors were absent for the vote: Mr. DeMerchant.

The staff confirmed that there were no other matters to be discussed during this portion of the public meeting.

## **8. Executive Session**

Mr. Fogarty suggested that the Board move into executive session. Upon motion duly made by Mr. Parsons and seconded by Mr. Stocker, the motion to move the meeting into executive session pursuant to Rhode Island Open Meetings Law 42-46-5(a)(6) of the General Laws of the State of Rhode Island, as amended, was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Parsons, Mr. Stocker and Ms. Taito.

The following Directors voted against the foregoing: None.

The following Directors were absent for the vote: Mr. DeMerchant.

Public session concluded and executive session began at 10:00 a.m.

## **9. Return to Public Session**

Upon a motion duly made by Ms. Taito and seconded by Mr. Parsons, the motion to conclude executive session and return to public session was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Parsons, Mr. Stocker and Ms. Taito.

The following Directors voted against the foregoing: None.

The following Directors were absent for the vote: Mr. DeMerchant.

Executive session concluded and public session began at 11:00 a.m.

## **10. Executive Session Vote Ratification**

Mr. Fogarty called for ratification of the votes adopted during executive session. Upon motion duly made by Mr. Parsons and seconded by Mr. Stocker, the following votes were ratified:

To approve the application of Mill Creek Marine, Inc. for a term loan in the principal amount of \$250,000.00.

To approve the application of Design Formations Inc. for a term loan in the principal amount of \$85,000.00.

To approve the extension of the loan approval for a term loan in the principal amount of \$250,000 to Pilgrim Screw Corporation for an additional ninety (90) days.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Parsons, Mr. Stocker and Ms. Taito (who abstained with respect to ratification of the vote regarding Pilgrim Screw Corporation).

The following Directors voted against the foregoing: None.

The following Directors were absent for the vote: Mr. DeMerchant.

There being no further business to come before the Board, upon motion duly made by Mr. Stocker and seconded by Mr. Parsons the meeting was adjourned at 11:01 a.m.

Respectfully submitted,

Earl F. Queenan, Jr.  
Administrator

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